

NOVANT HEALTH EMBRACING PATH TO CONSUMER-CENTRICITY

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Health systems are undergoing a sweeping transformation as governments and employers transfer risk to consumers and providers. High deductible health plans, new sources of competition, and the push toward population health management are also accelerating the growth of the consumer-driven healthcare market. Winning consumer preference and loyalty will largely be based on how health systems respond to these forces with accessible, reliable, affordable and enjoyable care.

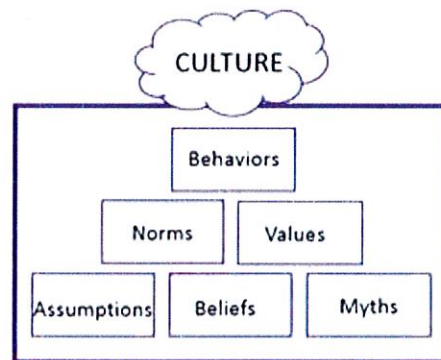
In 2017, The Health Management Academy ("The Academy") launched the Consumer Consortium, to unite talent and glean insights from leaders in healthcare and other consumer-focused industries. The three-year program is comprised of the following elements: business school research, non-healthcare industry approaches and a peer learning cohort. To lead this effort, The Academy tapped Dr. Gregory Carpenter, James Farley/Booz Allen Hamilton Professor of Marketing Strategy at the Northwestern Kellogg School of Management. There, Carpenter also serves as the Director of the Center for Market Leadership and is the Faculty Director, Kellogg Markets and Customers Initiative (KMCI).

Health system participation was limited to no more than 20 participants due to the scope and scale of the research planned. Five systems—Aurora, Novant Health, Memorial Hermann, Partners, and Providence—were identified as system “role models” based on the work underway at their respective systems, and their readiness and commitment to create a culture of consumer-centricity. The Academy conducted a baseline data gathering exercise for ongoing evaluation and benchmarking against non-healthcare industries. To better compete in the retail space for example, Providence launched a new partnership with Walgreen’s to lease Providence-branded clinic space at 25 locations. Walgreen’s provides commercial expertise, while Providence controls all clinical operations. They will run from 8 am to 8 pm and charge \$99/visit.

As additional context, the Consortium identified four worldwide, macroeconomic shifts in the last decade alone: the digital revolution; empowered consumers; expanding global markets; and disruptive innovation. While often cited, Starbucks and Apple were noted. Despite their size and scale, they are organizations with cultures that put the consumer first, at all costs. For Starbucks, consumers feel engaged, empowered and special; it’s about the experience and affinity to others that drink the brand. Apple did not get complacent with its remarkable penetration into the computer and mobile hardware space. They cemented their relevance by enlisting consumers around the world to crowdsource apps for their platform. The result is an Apple ecosystem that is simply unprecedented.

For firms to get real traction in the journey to consumer-centricity, thought leadership from Kellogg pointed us toward both short-term and longer term strategies. From their experience, organizations should begin with the mindset that change is a long journey. They should strive

for small early wins and build a coalition for change. As a rough estimate, the coalition size should be the square root of the number you're trying to influence overall. Recognize that it's human nature to encounter a sea of skeptics. Clear and persuasive discussions about where we are competing vs. serving will be required. Longer term, shaping the culture will be essential. Behaviors are the most visible aspect of culture, but changing behavior is hard if we don't seek to understand the underlying assumptions, beliefs and myths that pervade the organization.



To help us breakdown culture, Dr. Carpenter's decades of research on consumer centricity revealed six characteristics of people, teams and the organizations they comprise:

1. Empathy (how customers think and feel; and why?)
2. Customer first (solve real problems and the ROI will follow)
3. Collaboration (breaking down silos; going slow to go fast)
4. Respect (of each other and the customers we serve)
5. Trust (belief in the competence, honesty and fairness of your colleagues)
6. Openness to change (curiosity, imagination and the willingness to embrace new ideas)

How does this relate to our health system? At Novant Health, we believe that codifying our commitment to serve patients and communities in the ways they prefer is essential to realizing our mission and vision. Our early assessment is that the Academy's Consumer Consortium will be a way for us to build an enriching and enduring learning community and a force to accelerate our journey to a truly consumer-centric organization

In 2018, our team will organize around a single initiative to put these theories into tangible practice. We've already enlisted other team members and stakeholders to dramatically redesign the way we engage and care for our patients with pre-diabetes and diabetes. The physician system service line leader and her team are energized by the focus and we're off to a great start. As we learn from this pilot, we can pivot to other areas ripe for more consumer-centric products and services.

As the famous saying goes, *"the journey of a thousand miles begins with the first step."*

Note: Novant Health consortium representatives include David Duvall, SVP, marketing & communications; Tony Bentley, VP, VB performance & analytics; Gwen Gurnsey, VP, community medicine; Tammy Jones, VP, marketing; Sean Keyser, VP, patient experience.